

Submit One Copy To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 88240
 District II
 811 S. First St., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised November 3, 2011

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-31793
5. Indicate Type of Lease STATE X FEE
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name LUCY ALC STATE
8. Well Number #3
9. OGRID Number 7377
10. Pool name or Wildcat LOST TANK; DELAWARE

SUNDRY NOTICES AND REPORTS ON WELLS
 (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well Gas Well X Other

2. Name of Operator
EOG RESOURCES, INC

3. Address of Operator
PO BOX 2267 MIDLAND, TEXAS 79702

4. Well Location
 Unit Letter J: 1710 feet from the SOUTH line and 1980 feet from the EAST line
 Section 34 Township 21S Range 31E NMPM County EDDY

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3486' GL

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> P AND A <input type="checkbox"/> CASING/CEMENT JOB <input type="checkbox"/> <input checked="" type="checkbox"/> Location is ready for OCD inspection after P&A
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- All pits have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan.
- Rat hole and cellar have been filled and leveled. Cathodic protection holes have been properly abandoned.
- A steel marker at least 4" in diameter and at least 4' above ground level has been set in concrete. It shows the

OPERATOR NAME, LEASE NAME, WELL NUMBER, API NUMBER, QUARTER/QUARTER LOCATION OR UNIT LETTER, SECTION, TOWNSHIP, AND RANGE. All INFORMATION HAS BEEN WELDED OR PERMANENTLY STAMPED ON THE MARKER'S SURFACE.

- The location has been leveled as nearly as possible to original ground contour and has been cleared of all junk, trash, flow lines and other production equipment.
- Anchors, dead men, tie downs and risers have been cut off at least two feet below ground level.
- If this is a one-well lease or last remaining well on lease, the battery and pit location(s) have been remediated in compliance with OCD rules and the terms of the Operator's pit permit and closure plan. All flow lines, production equipment and junk have been removed from lease and well location.
- All metal bolts and other materials have been removed. Portable bases have been removed. (Poured onsite concrete bases do not have to be removed.)
- All other environmental concerns have been addressed as per OCD rules.
- Pipelines and flow lines have been abandoned in accordance with 19.15.35.10 NMAC. All fluids have been removed from non-retrieved flow lines and pipelines.
- If this is a one-well lease or last remaining well on lease: all electrical service poles and lines have been removed from lease and well location, except for utility's distribution infrastructure.

When all work has been completed, return this form to the appropriate District office to schedule an inspection.

SIGNATURE Kay Maddox TITLE: REGULATORY SPECIALIST DATE 09/10/2020
 TYPE OR PRINT NAME: KAY MADDOX E-MAIL: kay_maddox@egoresources.com PHONE: _432-686-3658
 For State Use Only

APPROVED BY: [Signature] TITLE Staff Manager DATE 9/18/2020
 Conditions of Approval (if any):



REC'D 09/14/2020
NMOCD

30-015-31793

**Stephanie Garcia Richard
Commissioner of Public Lands
State of New Mexico**

BUSINESS LEASE

Lease No. BL-1937

THIS LEASE, dated **August 7, 2019**, is made and entered into by and between the Commissioner of Public Lands, hereinafter referred to as "Lessor", and **EOG Resources, Inc.**, whose address is **104 S. 4th Street, Artesia, NM 88210**, hereinafter referred to as "Lessee".

Lessor and Lessee agree and covenant as follows:

1. **LEASE.** For and in consideration of and subject to the terms, conditions, covenants and reservations contained herein, Lessor leases to Lessee the following described tract of land, hereinafter referred to as the "leased premises":

Township	Range	Section	Aliquot	Acreage	County
21S	31E	34	NW4/SE4	0.309	Lea

The rights granted herein are subject to all valid existing rights in the leased premises.

2. **WATER RIGHTS.** No water rights shall be used, placed or developed on the leased premises without the express, written consent of Lessor. All water appropriated shall be pursuant to state law and regulations. Any water rights used, placed or developed on the Lease Premises are herein and hereby deemed to belong to the Lessor, and all such rights shall be developed in the name of the Lessor.

3. **RESERVATIONS.** Lessor reserves the right to execute leases for the exploration, development and production of geothermal resources, oil and gas, sand, gravel, coal, shale, clay, rock, building stone or materials, potassium, sodium, phosphorus, salt or any other minerals or deposits of whatsoever kind located in, under or upon the leased premises and all rights of access, ingress and egress through or across the leased premises that are necessary or convenient to such exploration, development or production. Lessor further reserves the right to grant rights-of-way and easements over, upon, or across the leased premises for public highways, railroads, tramways, telephone, telegraph and power lines, irrigation works, sewer lines, drainage ditches, mining, logging, and for other purposes.

4. **TERM.** The term of this lease shall begin on the date of this lease and end at midnight on **August**, unless terminated or canceled earlier as herein provided. Nothing contained herein shall limit the right of Lessor to sell or exchange the leased premises during the lease term.

BL-1937 EOG Resources, Inc. (Livingston Ridge)

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\$2,110.00

#0203 LandSusp

1 0008 4/22/2020

**

5. **RENT.** Lessee shall pay to Lessor as rent for the leased premises and for the rights and privileges granted hereunder as specified below. All rent is due and payable in advance **on or before the 7th day of August** each year during the term of this lease. Time is of the essence in the performance of this agreement. Interest on delinquent rent payments shall accrue from the date the payment becomes due at the rate of one percent a month or any fraction of a month. Lessee shall also pay a late processing fee of **\$50.00** for any delinquent payment of rent, in accordance with the Lessor's schedule of fees.

Year	Term Dates		Annual Rent
1	08/07/19	08/06/20	\$2,110.00
2	08/07/20	08/06/21	\$2,173.00
3	08/07/21	08/06/22	\$2,238.00
4	08/07/22	08/06/23	\$2,306.00
5	08/07/23	08/06/24	\$2,375.00

6. **PERMITTED USE.** Lessee shall use the leased premises for the sole and exclusive purpose of: **Office Building**. No other uses shall be permitted.

7. **IMPROVEMENTS.** Lessee may place the following improvements on the leased premises:

- One (1) 30' x 30' metal building
- One (1) covered patio area with picnic tables
- One (1) power line drop
- Two (2) plastic potable water storage tanks
- One (1) telephone fiber optic cable line
- One (1) 8' x 30' shipping container metal storage shed
- Pipe fencing around east side of building
- Data acquisition disk
- Caliche pad

No other improvements shall be placed on the leased premises without the prior amendment of this lease pursuant to Paragraph 20 hereof to permit such improvement placement. Lessee shall maintain and protect from waste and trespass all improvements placed on the leased premises. In the event improvements other than those authorized herein are placed on the leased premises, Lessor may either declare title to such improvements in Lessor without payment of compensation to Lessee or Lessor may order the removal of such improvements and the restoration of the leased premises to their condition existing prior to the placement of said improvements at Lessee's expense. The foregoing rights of Lessor shall be cumulative to Lessor's right to cancel this lease as herein provided.

8. **LIEN.** To secure the payment of any rent amount that becomes due, and to satisfy all reasonable costs incurred by Lessor in recovering said rent amount, Lessor shall have a first and prior lien on any and all improvements, fixtures and equipment placed on the leased premises.

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9. **IMPROVEMENT REMOVAL AND RECLAMATION.** Before relinquishment or termination of this lease without re-lease to Lessee, or upon Lessor's cancellation of this lease as provided herein, Lessee shall remove all improvements placed on the leased premises and shall restore the leased premises to their condition existing prior to the placement of said improvements; provided, however, if any rent amount is due and unpaid at the time of lease cancellation or termination, Lessee shall remove improvements and restore the leased premises as herein provided only at such time, in such manner and under such conditions as Lessor may in writing demand. Lessee hereby waives, and shall not assert, any right to compensation for improvements on the leased premises under Section 19-7-14, NMSA 1978. This paragraph shall survive termination of this lease.

10. **RELINQUISHMENT.** Lessee, if not in default under this lease, may at any time apply to relinquish the lease to Lessor and be relieved of further obligations under the lease, provided, however, such relinquishment shall not be valid or effective until approved in writing by Lessor. Lessee must file an application to relinquish the Lease at least 30 days prior to the date on which the Lessee requests the relinquishment to go into effect. Lessor may condition relinquishment on any terms he deems reasonable. Relinquishment shall be made on a form prescribed by Lessor and shall be accompanied by the required relinquishment fee as set forth in Lessor's schedule of fees. Upon relinquishment Lessee shall not be entitled to the refund of any rent previously paid.

11. **ASSIGNMENT.** Lessee shall not assign this lease, any part thereof, or assign any improvements located on the leased premises without the prior amendment of this lease pursuant to Paragraph 20 hereof to permit such assignment. Any lease assignment without lease amendment shall be null and void. Lessor may condition such lease amendment upon an increase in the rent amount and the modification or addition of other lease provisions.

12. **SUBLEASE.** Lessee shall not sublease the rights granted hereunder, any part thereof, any portion of the leased premises or any improvements located on the leased premises without the prior amendment of this lease pursuant to Paragraph 20 hereof to permit such sublease. Any sublease without lease amendment shall be null and void. Lessor may condition such lease amendment upon an increase in the rent amount and the modification or addition of other lease provisions.

13. **COLLATERAL ASSIGNMENT.** Lessee shall obtain approval of Lessor in accordance with State Land Office Rule 19.2.9.15 NMAC before making any collateral assignment or mortgage of its interest in this Lease or its improvements, and any such collateral assignment or mortgage shall be subject to the conditions, limitations and requirements set forth in the State Land Office rules. Lessor's approval of a collateral assignment or mortgage shall not release Lessee from any of its obligations under this Lease, except as agreed to in writing by Lessor. If Lessor gives Lessee a notice of default, Lessor shall simultaneously provide a copy of the notice to an approved collateral assignee or mortgagee, which shall have the right to cure the default within the time provided, subject to the requirements of State Land Office rules. An approved collateral assignee or mortgagee may succeed to the rights and duties of Lessee, and it may assign the lease in accordance with Paragraph 11, above, and State Land Office rules governing assignments.

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14. **DEFAULT AND CANCELLATION.** Upon Lessee's violation of any of the terms, conditions or covenants contained herein, including the failure to pay the rent when due, Lessor may cancel this lease after providing Lessee thirty (30) days notice of the default by registered mail. The mailing of such notice as herein provided shall constitute notice of Lessor's intention to cancel the lease and no proof of receipt of such notice shall be necessary in order for Lessor to enter lease cancellation thirty days after the mailing of the notice if Lessee has not cured the default to Lessor's satisfaction within said thirty day period. Lessee agrees that if a court of competent jurisdiction determines that Lessee has breached any of the terms, conditions or covenants of this lease, Lessee shall pay the costs incurred by Lessor in litigating the default, including reasonable attorney fees. In the event of a breach of the terms of this Lease by the Lessee, the Lessor also shall have all remedies available at law or equity.

15. **WAIVER.** No employee or agent of Lessor has the power, right or authority to orally waive any of the terms, conditions, or covenants hereof and no waiver by Lessor of any of the terms, conditions or covenants hereof shall be effective unless in writing and executed by Lessor. Lessor's waiver of Lessee's breach or default of any of the terms, conditions or covenants hereof shall not constitute or be construed as a waiver of any other or subsequent breach or default by Lessee. The failure of Lessor to enforce at any time any of the terms, conditions or covenants hereof or to exercise any option herein provided, or to require at any time performance by Lessee of any of the terms, conditions, or covenants hereof shall not constitute or be construed to be a waiver of such terms, conditions, or covenants, nor shall it affect the validity of this lease or any part thereof, or Lessor's right to thereafter enforce each and every such term, condition and covenant.

16. **COMPLIANCE WITH LAWS.** Lessee shall fully comply with all federal and state laws, regulations, rules, ordinances and requirements, applicable to the leased premises or to Lessee's operations thereon, including but not limited to all applicable laws governing water; endangered or threatened species; hazardous materials; environmental protection; land use; health and safety; cultural, historic or archeological / paleontological properties; waste; trespass; and all New Mexico State Land Office Rules and Regulations, including those that may be hereafter promulgated. Lessee's obligations under this paragraph include but are not limited to compliance with NMSA 1978 Section 19-6-5, requiring a lessee of State Trust Land to protect the leased premises from waste or trespass. Lessee's compliance with all laws, regulations and policy shall be at its own expense.

17. **WAIVER, RELEASE AND PROTECTION OF THE LEASED PREMISES.** Lessee is leasing the leased premises based on Lessee's own inspection and investigation of and judgment regarding the leased premises. Lessor makes no warranties or representations of any kind or nature with regard to the leased premises or with regard to this transaction.

If accidental discharge, release, spill, or fire or any other event having environmental consequence occurs, Lessee agrees to provide notice to Lessor at the same time and in the same manner as Lessee is required to provide to the federal, state or local agency having responsibility for enforcing compliance with environmental laws, regulations and policy. Lessee agrees that, upon request by Lessor, Lessor shall have access to all reports, documents, test data and all other

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materials provided by Lessee to or received by Lessee from a governmental agency having responsibility for enforcing compliance with environmental or other laws.

In the event Lessor is required to incur any cost or expense to enforce the provisions of this lease, including but not limited to consultants, engineers, soil, air or water sampling and attorney's fees and costs, Lessee shall be liable for and reimburse Lessor for said costs and expenses.

18. INDEMNIFICATION; INSURANCE.

A. Lessee shall hold harmless, indemnify and defend the State of New Mexico, Lessor and Lessor's employees, agents, and contractors, in both their official and individual capacities, from any and all liabilities, claims, losses, damages, or expenses, including but not limited to reasonable attorneys' fees, loss of land value, third party claims, penalties or removal, remedial or restoration costs arising out of, alleged to arise out of or indirectly connected with a) the operations hereunder of Lessee or Lessee's employees, agents, contractors, or invitees, b) the activities of third parties on the leased premises, whether with or without Lessee's knowledge or consent. In the event that any action, suit or proceeding is brought against Lessee, Lessee shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of Lessor and the Risk Management Division of the New Mexico General Services Department by certified mail. This Paragraph 18(A) shall survive the termination, cancellation or relinquishment of this Lease, and any cause of action of Lessor to enforce this provision shall not be deemed to accrue until Lessor's actual discovery of said liability, claim, loss, damage, or expense.

B. During the Term of this Lease, Lessee shall, at Lessee's cost and expense, obtain and maintain at all times with insurers authorized to do business in the State of New Mexico commercial general liability insurance (in the broadest form then available in New Mexico) that names the Lessor ("New Mexico State Land Office") as the insured or as an additional insured, protecting the Lessor against claims for bodily injury, personal injury, death and property damage. Such an insurance policy must specifically provide coverage for the Lessor and its employees and agents in minimum amounts of \$200,000 for damage to or destruction of each legally described real property arising out of a single occurrence with an aggregate of \$1,000,000; \$1,000,000 per occurrence/aggregate for bodily injury, personal injury or death; and \$1,000,000 with respect to any one occurrence. Higher coverage for the Lessor may be reasonably required by the Lessor from time to time, including but not limited to increases needed to provide complete coverage for Lessor's maximum liability under the New Mexico Tort Claims Act, Section 41-4-1 et seq. NMSA 1978. Insofar as the above-described insurance provides protection against liability for damages to third parties for personal injury, death, and property damage, lessor shall be included as an additional insured, provided such liability insurance coverage shall also extend to damage, destruction and injury to Lessor-owned or Lessor-leased property and Lessor personnel, and caused by or resulting from work, acts operations or omissions of Lessee. Lessor shall have no liability for premiums charged for such coverage, and inclusion of Lessor as an insured party is not intended to, and shall not make Lessor a partner or joint venturer with Lessee in its operations.

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C. The policy of insurance required to be maintained by Lessee pursuant to Paragraph 18(B) shall be reasonably satisfactory to Lessor and shall (a) provide for the benefit of Lessor that thirty (30) days prior written notice of suspension, cancellation, termination, modification, non-renewal or lapse or material change of coverage shall be given to all insured parties and that such insurance shall not be invalidated by any act or neglect of Lessor, nor by any foreclosure or other proceedings or notices thereof relating to the Land, leasehold or improvements, nor by occupation of the Land for purposes more hazardous than are permitted by such policy; (b) not contain a provision relieving the insurer thereunder of liability for any loss by reason of the existence of other policies of insurance covering the Land, leasehold or improvements against the peril involved, whether collectable or not; and (c) include a contractual liability endorsement evidencing coverage of Lessee's obligation to indemnify Lessor pursuant to Paragraph 18(A).

D. In addition, the Lessee must obtain at its own expense, insurance coverage adequate to protect its operations, property, employees and agents in amounts Lessee finds sufficient. Lessee shall be solely responsible for obtaining insurance policies that provide coverage for losses of Lessee-owned property, including improvements. Lessor shall not be required to provide such insurance coverage or be responsible for payment of Lessee's costs for such insurance.

E. Within ten (10) days after the execution of this Lease by Lessor and delivery to Lessee, Lessee shall deliver to Lessor original or duplicate certificates of insurance evidencing all the insurance which is required to be maintained under this Lease by Lessee certifying that all requirements set forth herein have been complied with, and within ten (10) days prior to the expiration of any such insurance, other original or duplicate certificates evidencing the renewal of such insurance. A certificate, policy, endorsement or rider which states that failure to give Lessor notice imposes no liability or obligation on the insurer shall not be in compliance with this Lease. For example, certificates or policies stating that the insurer shall "endeavor to notify" and that "failure to give such notice imposes no obligation" on the insurer are unacceptable to Lessor. Failure to comply with the insurance specifications in this Lease is a material breach of the Lease. Different types of required insurance may be written in one or more policies.

19. **SCOPE OF AGREEMENT.** This lease incorporates all the agreements, covenants and understandings between Lessor and Lessee concerning the subject matter hereof and all such agreements, covenants and understandings are merged into this written lease. No prior agreement or understanding between Lessor and Lessee shall be valid or enforceable unless expressly embodied in this lease.

20. **AMENDMENT.** This lease shall not be altered, changed or amended except by an instrument executed by both Lessor and Lessee.

21. **APPLICABLE LAW.** This lease shall be governed by the laws of the State of New Mexico.

22. **EXHAUSTION OF ADMINISTRATIVE REMEDIES.** In the event that Lessee is aggrieved by a decision of Lessor to cancel this Lease, Lessee shall within thirty (30) days after

the date of such decision file an administrative contest pursuant to NMSA 1978, § 19-7-64 and State Land Office Rule 15 (19.2.15 NMAC). Lessee shall initiate no court action regarding this Lease except to appeal a final decision of the Commissioner of Public Lands rendered pursuant to such a contest proceeding, and as provided by NMSA 1978, § 19-7-64.

23. **SUCCESSORS IN INTEREST; THIRD PARTIES.** All terms, conditions and covenants of this lease and all amendments thereto shall extend to and bind the heirs, successors and assigns of Lessee and Lessor. There are no third party beneficiaries of this Lease.

24. **HOLDING OVER.** If Lessee enters upon the leased premises after the termination or cancellation of this lease for any purpose, or leaves any equipment, buildings, materials, property or debris on the leased premises after the termination or cancellation of this lease, the rent due Lessor for such entry or presence shall be **\$13.01** for each day or any part of a day. Nothing contained herein shall be construed as the grant to Lessee of the right to enter the leased premises for any purpose after the termination or cancellation of this lease without the prior written consent of Lessor.

25. **LEASE ENTERED INTO UNDER STATE LAND OFFICE RULE 9.** This Lease is entered into pursuant to New Mexico State Land Office Rule 9, "Business Leasing" (19.2.9 NMAC), and the provisions of that rule control the interpretation and application of the terms of this Lease, except that in the event of a conflict between a provision of this Lease and a provision of Rule 9, the Lease provision controls.

Executed in duplicate.

LESSEE:

EOG RESOURCES, INC.

By: Wendy Dalton (M)

Name: Wendy Dalton

Title: Agent of Attorney-in-Fact

Date: 4/15/2020

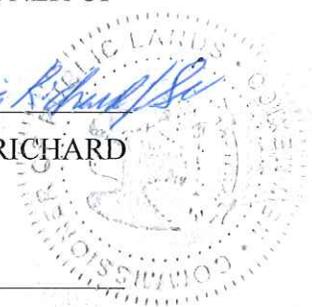
LESSOR:

NEW MEXICO COMMISSIONER OF
PUBLIC LANDS

By: Stephanie Garcia Richard

STEPHANIE GARCIA RICHARD

Date: 5/6/20



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ACKNOWLEDGMENT IN AN INDIVIDUAL CAPACITY

State of _____
County of _____

This instrument was acknowledged before on _____ (date) by
_____ (name).

(Seal)

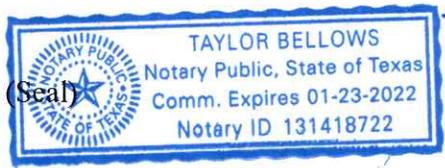
(Signature of notarial officer)

My commission expires: _____

ACKNOWLEDGMENT IN A REPRESENTATIVE CAPACITY

State of TEXAS
County of MIDLAND

This instrument was acknowledged before on 4/15/2022 (date) by
Wendy Dalton (name) as Agent & Attorney-in-Fact (title) of
EOG Resources, Inc. (name of party on behalf of whom instrument is
executed).



(Seal)

Taylor Bellows
(Signature of notarial officer)

My commission expires: 01-23-2022

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